

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,¹⁾ Case No. 01-01139 (JFF)
) (Jointly Administered)
)
Debtors.)

**SUMMARIZED INTERIM FEE APPLICATION OF STEPTOE & JOHNSON LLP FOR
COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES
AS SPECIAL TAX COUNSEL TO W. R. GRACE & CO., ET AL., FOR
THE MONTHLY INTERIM PERIOD
FROM JULY 1-JULY 31, 2008
THE QUARTER OF JULY-SEPTEMBER 2008**

Name of Applicant: **Steptoe & Johnson LLP**

Authorized to Provide Professional Services to: **W.R. Grace & Co. et al. Debtors and Debtors in Possession**

Date of Retention: **Order entered January 28, 2002 effective as of July 1, 2001**

Period for Which Compensation and Reimbursement is Sought: **July 1, 2008 to July 31, 2008**

Objection Deadline: **November 21, 2008**

Total Amount of Fees Sought as Actual, Reasonable and Necessary for Applicable Period: **\$79,866.00**

Total Expense Reimbursement Sought as Actual, Reasonable and Necessary for Applicable Period: **\$276.81**

80% of Fees Sought as Actual, Reasonable and Necessary for Applicable Period: **\$63,892.80**

Total Amount of Holdback Fees Sought for Applicable Period: **\$15,973.20**

This is a X monthly X interim ___ final application.

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 5 hours, and the corresponding estimated compensation that will be requested in a future application is approximately \$2,850.00.

The history of the prior applications filed by Steptoe & Johnson is as follows:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees (80%)	Approved Expenses	Holdback Fees
03/29/02	07/01/01 – 07/31/01	\$57,542.50	\$3,135.22	\$46,034.00	\$3,032.12	\$10,574.62
03/29/02	09/01/01 – 09/30/01	\$75,710.50	\$4,130.52	\$60,568.40	\$4,077.17	\$15,142.10
03/29/02	11/01/01 – 11/30/01	\$28,941.00	\$ 638.26	\$23,152.80	\$ 627.16	\$ 5,788.20
03/29/02	12/01/01 – 12/31/01	\$ 3,275.00	\$ 9.77	\$ 2,620.00	\$ 8.72	\$ 655.80
05/09/02	10/01/01 – 10/31/01	\$36,497.00	\$ 330.84	\$29,197.60	\$ 330.84	\$ 7,299.40
05/09/02	01/01/02 – 01/31/02	\$29,944.00	\$3,162.92	\$18,102.70	\$3,162.92	\$ 5,988.80
05/09/02	02/01/02 – 02/28/02	\$38,747.50	\$4,709.66	\$14,830.50	\$2,849.66	\$ 7,749.50
05/09/02	03/01/02 – 03/31/02	\$25,718.50	\$ 401.90	\$20,574.50	\$ 401.90	\$ 5,143.70
08/26/02	04/01/02 – 04/30/02	\$19,519.40	\$ 198.24	\$15,615.20	\$ 198.24	\$ 3,903.80
08/26/02	05/01/02 – 05/31/02	\$57,288.00	\$4,600.88	\$45,840.40	\$4,600.88	\$11,457.60
08/23/02	06/01/02 – 06/30/02	\$32,015.00	\$2,634.28	\$25,612.00	\$2,634.28	\$ 6,403.00
11/21/02	07/01/02 – 07/31/02	\$15,366.00	\$5,138.86	\$12,292.80	\$5,138.86	\$ 3,073.20
11/21/02	08/01/02 – 08/31/02	\$14,951.00	\$ 135.85	\$11,960.80	\$ 135.85	\$ 2,990.20
11/21/02	09/01/02 – 09/30/02	\$22,133.00	\$ 141.59	\$17,706.40	\$ 141.96	\$ 4,426.60
03/04/03	10/01/02 – 10/31/02	\$19,208.00	\$ 207.40	\$15,366.40	\$ 207.40	\$ 3,841.60
03/04/03	11/01/02 – 11/30/02	\$30,075.00	\$ 895.26	\$24,060.00	\$ 895.26	\$ 6,015.00
03/04/03	12/01/02 – 12/31/02	\$18,304.50	\$ 279.68	\$14,643.60	\$ 279.68	\$ 3,660.90
08/09/03	01/01/03 – 01/31/03	\$ 3,566.50	\$ 78.40	\$ 2,853.20	\$ 78.40	\$ 2,853.20
08/09/03	02/01/03 – 02/28/03	\$25,685.00	\$ 62.59	\$20,548.00	\$ 62.59	\$ 5,137.00
08/09/03	03/01/03 – 03/31/03	\$49,493.00	\$2,681.28	\$39,594.40	\$2,681.28	\$ 9,898.60
10/06/03	04/01/03 – 04/30/03	\$55,499.50	\$3,369.95	\$43,339.60	\$3,369.95	\$11,099.90
10/06/03	05/01/03 – 05/31/03	\$ 6,046.50	\$ 120.80	\$ 4,837.20	\$ 120.80	\$ 1,209.30
10/06/03	06/01/03 – 06/31/03	\$ 4,619.50	\$ 15.14	\$ 3,695.60	\$ 15.14	\$ 923.90
1/23/04	07/01/03 – 07/07/03	\$ 2,781.50	\$ 66.32	\$ 2,225.20	\$ 66.32	\$ 556.30
1/23/04	08/01/03 – 08/31/03	\$ 2,773.50	\$ 11.58	\$ 2,218.80	\$ 11.58	\$ 554.70
1/23/04	09/01/03 – 09/30/03	\$14,415.00	\$ 169.29	\$11,532.00	\$ 169.29	\$ 2,883.00
2/25/04	10/01/03 – 10/31/03	\$ 1,827.50	\$ 32.28	\$ 1,462.00	\$ 32.28	\$ 365.50
2/25/04	11/01/03 – 11/30/03	\$ 3,002.00	\$ 28.33	\$ 2,401.60	\$ 28.33	\$ 600.40
2/25/04	12/01/03 – 12/31/03	\$11,850.00	\$ 32.70	\$ 9,480.00	\$ 32.70	\$ 2,370.00
6/14/04	01/01/04 – 01/31/04	\$ 1,827.00	\$ 29.33	\$ 1,461.60	\$ 29.33	\$ 365.40
6/14/04	02/01/04 – 02/29/04	\$ 5,774.50	\$ 70.80	\$ 4,619.60	\$ 70.80	\$ 1,154.90
6/14/04	03/01/04 – 03/31/04	\$ 3,697.58	\$ 35.08	\$ 2,938.06	\$ 35.08	\$ 739.52
9/17/04	04/01/04 – 04/30/04	\$ 2,433.50	\$ 9.59	\$ 1,946.80	\$ 9.59	\$ 486.70
9/17/04	05/01/04 – 05/31/04	\$ 8,038.00	\$ 23.30	\$ 6,430.40	\$ 23.30	\$ 1,607.60
9/17/04	06/01/04 – 06/30/04	\$32,636.000	\$2,581.55	\$26,108.80	\$2,581.55	\$ 6,527.20
11/19/04	07/01/04 – 07/31/04	\$14,710.50	\$1,557.11	\$11,768.40	\$1,557.11	\$ 2,942.10
11/19/04	09/01/04 – 09/30/04	\$ 2,973.50	\$ 81.64	\$ 2,378.80	\$ 81.64	\$ 594.70
2/25/05	10/01/04 – 10/31/04	\$ 5,498.00	\$ 67.21	\$ 4,398.40	\$ 67.21	\$ 1,099.60
2/25/05	11/01/04 – 11/30/04	\$54,782.00	\$ 455.69	\$43,825.60	\$ 455.69	\$10,956.40
2/25/05	12/01/04 – 12/31/04	\$ 798.00	\$1,420.25	\$ 638.40	\$1,420.25	\$ 159.60
6/07/05	02/01/05 – 02/28/05	\$ 3,277.50	\$ 46.91	\$ 2,622.00	\$ 46.91	\$ 655.50
11/05/05	05/01/05 – 05/31/05	\$ 1,472.50	\$ 17.85	\$ 1,178.50	\$ 17.85	\$ 294.50
11/14/05	08/01/05 – 08/31/05	\$ 4,567.00	\$ 38.27	\$ 3,653.60	\$ 38.27	\$ 913.40
11/14/05	09/01/05 – 09/31/05	\$18,503.00	\$ 175.04	\$14,802.40	\$ 175.04	\$ 3,700.60
3/31/06	10/01/05 – 10/31/05	\$ 1,306.50	\$ 4.02	\$ 1,045.20	\$ 4.02	\$ 261.30
3/31/06	11/01/05 – 11/30/05	\$ 3,378.00	\$ 24.45	\$ 2,702.40	\$ 24.45	\$ 675.60
3/31/06	12/01/05 – 12/31/05	\$ 8,456.50	\$ 73.62	\$ 6,765.20	\$ 73.62	\$ 1,691.30

5/23/06	01/01/06 – 01/31/06	\$ 39,042.00	\$9,134.32	\$31,233.00	\$9,134.32	\$ 7,808.40
5/23/06	02/01/06 – 02/28/06	\$62,377.00	\$ 142.09	\$49,901.60	\$ 142.09	\$12,475.40
5/23/06	03/01/06 – 03/31/06	\$20,321.00	\$ 85.95	\$16,256.00	\$ 85.95	\$ 4,064.20
9/12/06	04/01/06 - 04/30/06	\$67,143.00	\$ 751.36	\$53,714.40	\$ 751.36	\$13,428.60
9/12/06	05/01/06 – 05/31/06	\$79,523.50	\$ 366.70	\$63,618.80	\$ 366.70	\$15,904.70
9/12/06	06/01/06 – 06/30/06	\$11,149.50	\$ 24.17	\$ 8,919.60	\$ 24.17	\$ 2,229.90
12/04/06	07/01/06 – 07/31/06	\$15,602.50	\$ 88.56	\$12,482.00	\$ 88.56	\$ 3,120.50
12/04/06	08/01/06 – 08/31/06	\$20,218.00	\$ 66.58	\$16,174.40	\$ 66.58	\$ 4,043.60
12/04/06	09/01/06 – 09/30/06	\$31,624.00	\$ 16.50	\$25,299.20	\$ 16.50	\$ 6,324.80
03/02/07	10/01/06 – 10/31/06	\$17,852.00	\$ 45.97	\$14,281.60	\$ 45.97	\$ 3,570.40
03/02/07	11/01/06 - 11/30/06	\$ 891.00	\$ 26.70	\$ 712.80	\$ 26.70	\$ 178.20
03/02/07	12/01/06 – 12/31/06	\$32,354.50	\$ 42.09	\$25,883.60	\$ 42.09	\$ 6,470.90
05/31/07	01/01/07 - 01/31/07	\$45,021.50	\$ 28.09	\$36,017.20	\$ 28.09	\$ 9004.30
05/31/07	02/01/07 - 02/28/07	\$71,630.00	\$ 783.33	\$57,304.00	\$ 783.33	\$14,326.00
05/31/07	03/01/07 – 03/31/07	\$43,373.00	\$ 48.07	\$34,698.40	\$ 48.07	\$ 8,674.60
08/07/07	04/01/07 - 04/31/07	\$36,927.50	\$ 102.40	\$29,542.00	\$ 102.40	\$ 7,385.50
08/07/07	05/01/07 – 05/31/07	\$41,712.00	\$ 127.45	\$33,369.60	\$ 127.45	\$ 8,342.40
08/07/07	06/01/07 – 06/30/07	\$54,204.00	\$ 209.69	\$43,363.20	\$ 209.69	\$10,840.80
12/03/07	07/01/07 – 07/31/07	\$ 6,358.00	\$ 44.35	\$ 5,086.40	\$ 44.35	\$ 1,271.60
12/03/07	08/01/07 – 08/31/07	\$ 5,074.50	\$ 30.40	\$ 4,059.60	\$ 30.40	\$ 1,014.90
12/03/07	09/01/07 – 09/30/07	\$ 3,861.00	\$ 27.80	\$ 3,088.80	\$ 27.80	\$ 772.20
03/04/08	10/01/07 – 10/31/07	\$20,994.00	\$ 205.76	\$16,795.20	\$ 205.76	\$ 4,198.80
03/04/08	11/01/07 – 11/30/07	\$ 4,971.00	\$ 24.45	\$ 3,876.80	\$ 24.45	\$ 994.20
03/04/08	12/01/07 – 12/31/07	\$ 4,333.50	\$ 46.35	\$ 3,466.80	\$ 46.35	\$ 866.70
05/28/08	01/01/08 – 01/31/08	\$ 6,972.50	\$ 88.98	\$ 5,578.00	\$ 88.98	\$ 1,394.50
05/28/08	02/01/08 – 02/29/08	\$ 1,324.00	\$ 16.35	\$ 1,059.20	\$ 16.35	\$ 264.80
05/28/08	03/01/08 – 03/31/08	\$ 3,490.00	\$ 37.11	\$ 2,792.00	\$ 37.11	\$ 698.00
9/10/08	04/01/08 - 04/30/08	\$23,838.00	\$ 2.30	\$19,070.49	\$ 2.30	\$ 4,767.60
9/10/08	05/01/08 - 05/31/08	\$56,329.50	\$ 418.98	\$45,063.60	\$ 418.98	\$11,265.90
9/10/08	06/01/08 - 06/30/08	\$208,188.00	\$ 1,844.51	\$166,550.40	\$ 1,844.51	\$41,637.60
Current	07/01/08 – 07/31/08	\$ 79,866.00	\$ 276.81	\$63,892.80	\$ 276.81	\$15,973.20
Current	08/01/08 – 08/31/08	\$ 88,329.50	\$2,104.68	\$70,663.60	\$2,104.68	\$17,665.90

The S&J attorneys who rendered professional services in July 2008 are:

Name of Professional Person & Matter	Position with the Applicant	Number of Years As an Attorney	Department	Hourly 2008 Billing Rate	Total Billed Hours	Total Compensation
A. E. Moran	Partner	Over 20	Tax	\$570.00	1.70	\$969.00
M. D. Lerner	Partner	Over 20	Tax	\$700.00	6.80	\$4,760.00
M. Silverman	Partner	Over 20	Tax	\$895.00	33.00	\$29,535.00
S. Teplnsky	Partner	Over 20	Tax	\$700.00	.50	\$350.00
G. Kidder	Associate	8	Tax	\$470.00	29.20	\$13,724.00
P. West	Partner	Over 20	Tax	\$875.00	0	0
M. Durst	Counsel	Over 20	Tax	\$865.00	17.10	\$14,791.50
S. Williams	Associate	1	Tax	\$315.00	25.10	\$7,906.50
L. Zarlenga	Partner	Over 15	Tax	\$580.00	13.50	\$7,830.00

Compensation by Matter

Matter Number	Matter	Total Hours	Total Fees Requested
20	Case Administration	0	0
29	File, Docket, Calendar Maintenance	0	0
30	Hearings	0	0
32	S&J Fee Application, Preparation of	1.70	\$969.00
35	Other Fee Applications	0	0
38	Retention of Professionals/Fees	0	0
41	Tax Matters		
42	Travel (1/2 total hours billed)	3.60	\$3,114.00
46	IRS Tax Litigation	121.60	\$75,783.00
	Total	126.90	\$79,866.00

Expense Summary – All attributable to subject matter 46 unless otherwise indicated.

Description	Amount
Duplicating Supplies	0
Copies – Matter 32	2.20
Copies – Matter 46	173.80
Online Research	16.92
Postage	0
Federal Express/Overnight Messenger	70.35
Facsimile	0
Conference Calls	13.54
Working Meals	0
Local Transportation/Parking	0
Airfare	0
Total	\$276.81

A detailed description of fees and expenses can be found at Exhibits A and B.

10/15/08
Date:

Respectfully submitted,
STEPTOE & JOHNSON LLP

Anne E Moran

Anne E. Moran
1330 Connecticut Avenue, NW
Washington, DC 20036 (202) 429-6449